

- Exports fall for third straight month in March
- Housing starts dip in March; new housing prices continue to climb
- One in three pregnant women uses non-prescription drugs

## The Economy

- **Exports of BC products slipped (-1.5%, seasonally adjusted) in March, posting the third consecutive monthly loss.** A 14.7% slump in exports of energy products drove overall exports down, despite increases in all other major commodity groups. Shipments of forest products remained fairly flat (+0.1%). Exports to the US fell 4.6%, also largely due to a decline in the value of energy shipments (-22.5%), although shipments of agriculture & fish products (-3.5%) and forest products (-0.5%) also dropped. Exports to other destinations were up 4.2%, reflecting upturns across all major commodities, except energy products (-0.2%).

Canadian exports increased 1.1% in March. Shipments to the US remained flat (0.0%), while exports to Japan (+19.3%) and the European Union (+11.1%) strengthened. An expansion in machinery & equipment exports (+8.1%) accounted for most of the increase, but shipments of agricultural & fishing products (+3.1%) were also up. Exports of energy (-0.3%), forestry (-0.8%) and automotive (-2.0%) products were down from February levels.

*Data Source: Statistics Canada & BC Stats*

- **The number of housing starts in the province dipped 3.8% (seasonally adjusted) in April, following a relatively flat March (+0.2%).** BC was one of seven provinces to see a slowdown in housing projects. Saskatchewan (+9.7%), New Brunswick (+37.5%) and PEI (+40.0%) were the only provinces to see more housing starts last month than in March. Canadian starts were down 13.3%.

*Data Source: CMHC*

- **The cost of new housing in BC's two largest cities continued to climb in March, rising 6.9% (year-over-year) in Vancouver, and 7.2% in Victoria.** Although building (+3.4%) prices in the capital city were higher than in March of

last year, land prices (+15.9%) continued to be the most influential in the rising selling prices of new homes. In Vancouver, on the other hand, the increase in the cost of houses (+6.7%) outpaced that of land (+5.9%).

Nationally, the cost of new housing advanced 7.6% during the twelve-month period ending in March. All of the 21 metropolitan areas surveyed reported increases in the cost of buying a new home. With its high demand for new housing along with higher material and labour costs, Calgary continues to lead the country posting a whopping 29.6% increase in new housing costs. After Calgary, the most inflationary new housing markets were in Edmonton (+14.3%), Winnipeg (+10.4%), and Victoria.

*Data Source: Statistics Canada*

- **British Columbians spent more time working in 2005 than in 2004, with the total number of hours worked increasing 2.6%, well above the national average (+0.8%).** In the province's manufacturing sector, hours declined last year whereas the mining and oil & gas extraction industries posted extremely strong gains (+10.0%). Labour market conditions were variable among the provinces with the change in hours worked ranging from -0.2% in Manitoba to +2.6% in both PEI and BC. Labour productivity (GDP per hour worked) increased 1.0% in 2005, less than half the Canadian average (+2.2%). Alberta (+3.0%) recorded the most significant increase in labour productivity. (Although productivity is usually calculated for the business sector only, these figures are based on data for all industries, including those in the non-business sector).

*Data Source: Statistics Canada*

## Telecommunications

- **The number of Canadian subscribers to wireless telecommunications surpassed 16 million**

### Did you know...

Just over half (55%) of Canadians find it innovative to combine two medications into a single pill while 45% moderately or strongly disagree. Individuals under 55 years of age (60%) are more likely to agree than older ones (47%). Source: Ipsos-Reid

in 2005, while the number of conventional residential phone lines fell below 12 million. Service providers for wireless communications generated revenues of \$11 billion last year, up 17% from 2004. Nearly five percent of Canadian households reported relying solely on cellular services at the end of 2005.

*Data Source: Statistics Canada*

#### Work-Related Injuries

- **The number of job-related injuries reported to the BC Workers' Compensation Board was 164,443 in 2005, up 4.9% from 2004.** However, this was significantly lower than in 1996, when almost 187,000 new injuries were reported. There were substantially more occupational fatalities reported last year (259) than in 1996 (182) but just 0.16% of all workplace injuries resulted in death.

*Data Source: Work Safe BC*

#### Pregnancy and Medication

- **Among British Columbian mothers of children born in 2001 or 2002, 26% reported using prescription medication during pregnancy and 32% said they used non-prescription medication.** Use of both types of medications during pregnancy was lower in BC than national averages. The percentage of Canadian women who reported taking any medications while pregnant rose from 27% in 1993 to 33% in 2003. Nova Scotia had the highest percentage of mothers reporting use of both prescription (37%) and non-prescription (45%) medication while pregnant, and Ontario had the least (22% and 29% respectively). Medications most commonly used by pregnant women included pain relievers, stomach and cold remedies.

#### Drug Expenditure

- **Total spending on drugs in the province is estimated to have reached \$2.8 billion last year, accounting for over 15% of total health expenditures in 2005.** Among the provinces, BC spent the least per capita, (\$652), much less than the national average of \$770. Ontario (\$837) and New Brunswick (\$836) spent the most per capita on drugs. Total spending on drugs in Canada is estimated to have reached

almost \$25 billion in 2005.

*Data Source: Canadian Institute for Health Information*

#### Fitness and Recreation

- **Canadian fitness & recreation centres were booming in 2004, as operating revenues soared to \$1.5 billion, up 20.8% from the previous year.** Revenues for golf & country clubs were also up significantly (+15.1%), reaching \$2.3 billion, while the spectator sports industry reported an increase of 4.9% over 2003 with operating revenues totalling almost \$2.3 billion. Skiing facilities saw revenue increases of approximately 2.5% over the same period. The overall arts, entertainment & recreation services revenue has grown with the increased health awareness and rising incomes among the baby boomer population.

*Data Source: Statistics Canada*

#### Being in Control

- **According to data from the 2003 General Social Survey (GSS), 89% of Canadians feel a sense of control over their life chances and 84% agree that they could accomplish almost anything in life that they set their mind to.** On a scale ranging from zero to 28 (the higher the score the greater the feeling of mastery) the average score among Canadians aged 15 and over was 18.8. This high sense of being in charge of one's life circumstances tends to peak for adults between the age of 25 to 34 and perceived control declines with age. Immigrants are more apt to feel less in control of their lives than their Canadian-born counterparts. Higher education, too, appears to play a key role in feelings of personal control as individuals with a university degree scored an average of 20.2 on the mastery scale while those with less than a high school diploma scored significantly lower (17.4). Physical wellness, involvement with large social networks and community involvement are among other factors affecting Canadians' sense of responsibility and control over their own life circumstances.

*Data Source: SC, Canadian Social Trends Cat.#11-008*

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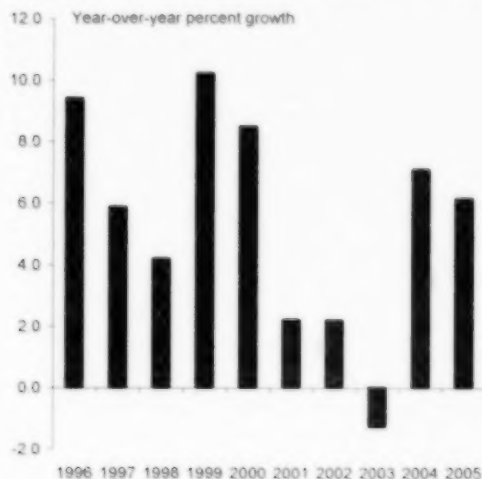
## BC's tourism sector in 2005

After rebounding in 2004, BC's tourism sector continued to expand in 2005, with most indicators showing solid growth.

### Revenues posted strong growth in 2005

Room revenues at hotels, motels and other establishments in British Columbia increased 6.1% to reach close to \$1.7 billion in 2005, the highest level since 1995. The persistent growth highlights the strength of BC's tourism economy.

### Strong growth in B.C. room revenues in 2005



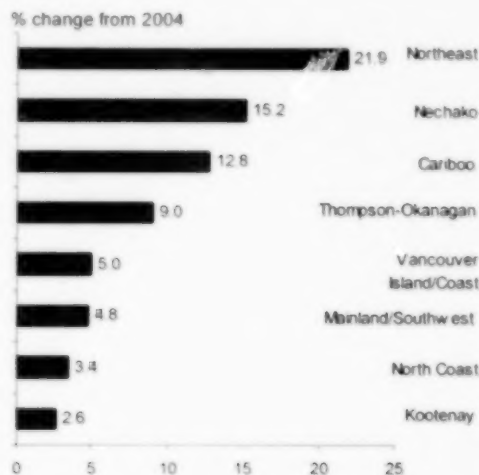
Data Source: BC Stats

### Northeast continued to be the top performer in 2005

All regions of the province experienced increases in revenues in 2005. For the third consecutive year, the Northeast region outperformed the rest of BC, posting a growth rate of 21.9%. This follows a gain of 22.1% in 2003, and 12.2% in 2004. Nechako (+15.2%) regained the ground lost in 2004 (-1.3%). Cariboo (+12.8%) also posted double-digit

growth in revenues. The two most populated regions, Mainland/Southwest (+4.8%) and Vancouver Island/Coast (+5.0%) made significant gains in room revenues; however, these were below the rates at which revenues increased in the previous year. Thompson-Okanagan (+9.0%) was also a major engine of revenue growth, as were Kootenay (+2.6%) and North Coast (+3.4%).

### Northeast outperformed the rest of B.C. in 2005



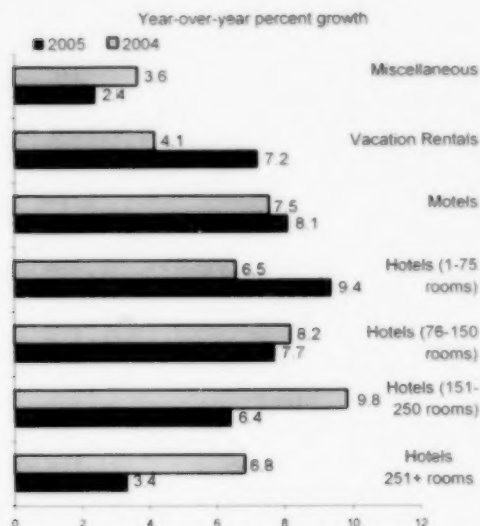
Data Source: BC Stats

### Revenues up at all types of establishments

In 2005, motels (+8.1%) outperformed vacation rentals (+7.2%), hotels (+6.0%) and other types of accommodation properties (including bed and breakfast, fishing lodges and other types of short-term accommodation). This is different from 2004, when revenues at hotels (+7.6%) surpassed those of motels (+7.5%) and vacation rentals (+4.1%). In 2005, motels posted strong and consistent increases, proving themselves to be strong competition for hotels.

Small hotels (1-75 rooms, +9.4%) were the top performers in 2005. Hotels with 76-150 rooms posted the second strongest gain (+7.7%), followed by large hotels (151-250 rooms, +6.4%). Very large hotels (251+ rooms) did not grow as fast as in 2004, showing a modest 3.4% increase in revenues.

## Small hotels posted strongest gain



Data Source: BC Stats

## Other Annual Indicators

In the hotel industry, the occupancy rate increased by 5.4 percentage points to nearly 65% in 2005, while average room prices inched up 0.8%, to \$116.6. The peak occupancy occurred in November (about 70%, seasonally adjusted).

Not surprisingly, considering the upturn in visitor entries in 2004, traffic statistics continued to increase in 2005. Air passenger traffic at Vancouver airport rose to over 16.4 million travellers, 4.4% higher than in 2004, with higher volumes on all types of flights. US trans-border (+3.6%), other international travel (+5.1%) and domestic traffic (+4.5%) all increased. Victoria airport welcomed 1.3 million travellers, a 5.5% increase from 2004.

BC Ferries carried fewer passengers (-0.7%), but vehicle volumes on board inched up (+0.1%). On the Coquihalla Highway, 1.9% more passenger vehicles passed through the tollbooths last year.

Employment in key tourism-related industries increased (+1.6%) in 2005, with increases seen in all sectors. Air transport (+2.0%), arts, entertainment and recreation (+4.6%) and accommodation (+3.9%) industries all hired more workers. Employment in the food and beverage industry (+0.2%) also inched up.

## Other Tourism Indicators (annual)


	2005	Change from 2004
<b>Hotel Industry</b>		
Occupancy rate	64.6	5.4 pp
Average room charge	116.6	0.80%
<i>(Pannell Kerr Forster)</i>		
<b>Airport Passengers</b> (000s) (%)		
<b>Vancouver International Airport</b>		
Total traffic	16,421	4.4
US (trans-border)	4,106	3.6
Other International	3,967	5.1
Canada (domestic)	8,348	4.5
<i>(YVR)</i>		
<b>Victoria International Airport</b>		
Total traffic	1,318	5.5
<i>(Victoria Airport Authority)</i>		
<b>Transportation</b> (000s) (%)		
<b>Coquihalla Highway</b>		
Passenger Vehicles	2,635	1.9
<i>(Ministry of Transportation &amp; Highways)</i>		
<b>BC Ferries</b>		
Vehicle Volume	8,539	0.1
Passenger Volume	21,791	-0.7
<i>(BC Ferries)</i>		

Note pp. percentage points

In BC, restaurant and tavern receipts increased 2.8% to over \$6.1 million in 2005 with a 4.2% increase in sales at food services establishments, offsetting an 8.7% decline in receipts at drinking places.

The overall indication is that 2005 was a good year, with a continuation of the upward trend that began in 2004.

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**Census Day**  
May 16, 2006

May 12, 2006  
Issue 06-19

## BC at a glance . . .

<b>POPULATION (thousands)</b>		
	Jan 1/05	% change on one year ago
BC	4,279.5	1.3
Canada	32,422.9	1.0
<b>GDP and INCOME</b>		
(BC - at market prices)	2005	% change on one year ago
Gross Domestic Product (GDP) (\$ millions)	168,011	6.8
GDP (\$ 1997 millions)	144,028	3.5
GDP (\$ 1997 per Capita)	33,853	2.2
Personal Disposable Income (\$ 1997 per Capita)	20,896	3.5
<b>TRADE (\$ millions, seasonally adjusted)</b>		
		% change on prev. month
Manufacturing Shipments - Feb	3,706	-3.4
Merchandise Exports - Feb	3,007	-1.1
Retail Sales - Feb	4,327	0.1
<b>CONSUMER PRICE INDEX</b>		
(all items - 1992=100)	12-month avg	% change
	Mar '06	
BC	126.3	1.9
Canada	129.3	2.3
<b>LABOUR FORCE (thousands)</b>		
(seasonally adjusted)	Apr '06	% change on prev. month
Labour Force - BC	2,296	0.2
Employed - BC	2,193	0.2
Unemployed - BC	103	1.1
	Mar '06	
Unemployment Rate - BC (percent)	4.5	4.4
Unemployment Rate - Canada (percent)	6.4	6.3
<b>INTEREST RATES (percent)</b>		
	May 10/06	May 11/05
Prime Business Rate	5.75	4.25
Conventional Mortgages - 1 year	6.25	4.90
- 5 year	6.75	6.05
<b>US/CANADA EXCHANGE RATE</b>		
	May 10/06	May 11/05
(avg. noon spot rate) Cdn \$	1.1007	1.2475
US \$ (reciprocal of the closing rate)	0.9095	0.8014
<b>AVERAGE WEEKLY WAGE RATE</b>		
(industrial aggregate - dollars)	Apr '06	% change on one year ago
BC	720.63	2.9
Canada	724.06	3.5
<b>SOURCES:</b>		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate		
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see <a href="http://www.bankofcanada.ca">www.bankofcanada.ca</a>		

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[www.bcstats.gov.bc.ca/data/sep/index.asp](http://www.bcstats.gov.bc.ca/data/sep/index.asp)

## Released this week by BC STATS

- Labour Force Statistics, April 2006
- Earnings & Employment Trends, April 2006

## Next week

- Exports, March 2006
- Consumer Price Index, April 2006
- Quarterly Regional Statistics, 1<sup>st</sup> Quarter 2006

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